



GOVERNMENT ENTITIES AND INSTITUTIONS ADDENDUM

PROCESSING SERVICES FOR GOVERNMENT ENTITIES AND INSTITUTIONS. Merchant elects and agrees to accept the Payment Device Processing Services for government entities and institutions, as such services are further described in this Addendum and the Exhibits hereto, and subject to the terms and conditions of the applicable provisions of the Agreement. Except as expressly modified pursuant to this Addendum, all terms and conditions of the Agreement remain in full force and effect and shall govern the relationship among the parties to this Addendum.

Capitalized terms used and not otherwise defined in this Addendum shall have the meanings ascribed to them in the Agreement (including the Terms of Service) or in the Merchant Operating Guide ("MOG"), which are incorporated herein by this reference.

IN WITNESS WHEREOF, the parties hereto have executed this Government Entities and Institutions Addendum to the Agreement.

YADKIN COUNTY
MERCHANT
By: [Signature]
Name: KEVIN AUSTIN
Title: CHAIRMAN

ELAVON, INC.
By: [Signature]
Name: Patrick Volpe, VP
Title: _____
Date: _____
(Addendum "Effective Date")
MEMBER
By: [Signature]
Name: Patrick Volpe, VP
Title: _____

**Section A – General Provisions Applicable to All Merchants under this Addendum**

- 1) The following provisions hereby replace the like-numbered provisions of the Terms of Service (“TOS”) or are hereby inserted or deleted from the TOS, as indicated, for Merchants operating under this Addendum.
 - a) **Section (A)(4)(d) Chargebacks** is revised to read as follows:

“d. **Chargebacks.** Merchant agrees to accept for Chargeback, and will be liable to Elavon and Member in the amount of any Transaction for which the Customer or Issuer disputes the validity of the Transaction for any reason under the Payment Network Regulations. Merchant authorizes Elavon and Member to offset from funds due Merchant for Transaction activity or to debit the DDA or the Reserve Account for the amount of all Chargebacks including, as applicable, any currency fluctuations. Merchant will fully cooperate with Elavon and Member in complying with the Payment Network Regulations regarding all Chargebacks.”
 - b) **Section (A)(5)(d) Indemnity** is deleted.
 - c) **Section (A)(6)(a)(i) Security Agreement** is deleted.
 - d) **Section (A)(6)(a)(ii) Perfection** is deleted.
 - e) **Section (A)(8)(a) Accuracy of Information** is revised to read as follows:

“a. **Accuracy of Information.** Merchant represents and warrants to Member and Elavon that all information provided to Elavon in the Merchant Application, in the bid process if applicable, or otherwise in the Agreement is correct and complete. Merchant must promptly notify Elavon in writing of any material changes to such information, including, without limitation, any additional location or new facility at which Merchant desires to use the Processing Services provided under this Addendum, the form of entity, change in control, material changes to the type of goods and services provided and/or payments accepted, and how Transactions are completed (e.g., by telephone, mail, electronic commerce, or in person at Merchant’s place of business). The notice must be received by Elavon at least ten (10) business days prior to the change. Merchant will promptly provide any additional information reasonably requested by Elavon. Merchant will be responsible for all losses and expenses incurred by Elavon or Member arising out of Merchant’s failure to provide proper notice or requested information for any such change, and will not make any claims against Elavon or Member for any losses sustained by Merchant as a result of such failure. Elavon may immediately terminate the Agreement upon a material change to the information in the Merchant Application if such change is not approved by Elavon. Elavon has the right to rely upon written instructions submitted by Merchant to request changes to Merchant’s business information. Merchant may request written confirmation of Elavon’s consent to the changes to the Merchant’s business information.”
 - f) **Section (A)(8)(b) Indemnification** is deleted and replaced with the following two sections:

“i. **Merchant Responsibilities.** As between Merchant, Elavon and Member, Merchant will be responsible for, and at its own expense, defend itself against any suits, claims, losses, demands or damages arising out of or in connection with (A) any dispute with a Customer, Cardholder or any third party relating to any Transaction, (B) any action taken by Elavon or Member with respect to the DDA or Reserve Account in accordance with the Agreement, or (C) any breach by Merchant of any obligation under this Agreement. Merchant will not make any claims against Elavon or Member for any liabilities, claims losses, costs, expenses and demands of any kind or nature, arising out of or in connection with any of the foregoing suits, claims, losses, demands or damages.”

“ii. **Elavon Responsibilities.** Elavon will be responsible for and will at its own expense defend itself against any suits, claims, losses, demands or damages arising out of (A) Elavon’s breach of the Agreement, or (B) Elavon’s negligence, gross negligence or willful misconduct.”
 - g) **Section (A)(9)(a) Information** is revised to read as follows:

“a. **Information.** Merchant is validly existing and duly organized under the laws of the jurisdiction in which it was formed with all necessary authority, qualifications, licenses and registrations necessary to conduct its business, in all jurisdictions where Merchant conducts business, in compliance with all Laws and Payment Network Regulations.”
 - h) **Section (A)(10)(a) Audit** is revised to read as follows:

“a. **Audit.** In the event that Elavon or Member reasonably suspects that they are subject to a financial or reputational risk due to Merchant’s actions or omissions, Merchant authorizes Elavon and Member to perform an audit or inspection of Merchant’s operations to confirm compliance with the Agreement upon reasonable advance notice and at Elavon’s or Member’s expense. Merchant agrees to cooperate, in good faith, with any such audit conducted by Elavon or Member. Further, Merchant acknowledges and agrees that the Payment Networks have the right to audit Merchant’s business to confirm compliance with the Payment Network Regulations.”
 - i) **Section (A)(10)(b)(i) Authorizations** is revised to read as follows:

“i. **Authorizations.** Merchant authorizes Elavon and Member to make, from time to time, any business credit or other inquiries they consider necessary to review the Merchant Application or continue to provide services under the Agreement. Merchant also authorizes any person or credit reporting agency to compile information to answer those credit inquiries and to furnish that information to Elavon.”
 - j) **Section (A)(10)(b)(ii) Financial Information** is revised to read as follows:

- “ii. **Financial Information.** Upon the request of either Elavon or Member, Merchant will provide Elavon and Member audited financial statements prepared by an independent certified public accountant selected by Merchant, or if Merchant is audited by a governmental authority, then Merchant will provide financial statements from such governmental authority. Within one hundred twenty (120) days after the end of each fiscal year (or in the case of a government entity, when available), Merchant will furnish Elavon and Member, as requested, a financial statement of profit and loss for the fiscal year and a balance sheet as of the end of the fiscal year, each audited as provided above. Merchant shall also provide Elavon and Member such interim financial statements and other information as Elavon or Member may request from time to time.”
- k) **Section (A)(13) Personal Guaranty** is deleted.
- l) **Section (A)(14)(a) Products or Services** is revised to read as follows:
 “a. **Products or Services.** Merchant may desire to use a Value Added Servicer to assist Merchant with its Transactions. Merchant shall not utilize any Value Added Servicer unless Merchant has disclosed such use to Elavon previously in writing, and unless such Value Added Servicer is fully compliant with all Laws and Payment Network Regulations. Any Value Added Servicer used by Merchant must be registered with the Payment Networks prior to the performance of any contracted services on behalf of Merchant. Further, as between the parties to this Agreement, Merchant will be bound by the acts and omissions of its Value Added Servicer and Merchant will be responsible for compliance by such Value Added Servicer with all Laws and Payment Network Regulations. Merchant will be responsible for any loss, cost, or expense incurred in connection with or by reason of Merchant’s use of any Value Added Servicer. Neither Elavon nor Member is responsible for the Value Added Servicer, nor are they responsible for any Transaction until Elavon receives data for the Transaction in the format required by Elavon.”
- m) **Section (A)(15)(b)(i) Termination, Merchant**, the following is added as **Section (A)(15)(b)(i)(cc)**:
 “cc. The Agreement may be terminated by Merchant in the event that sufficient legislative appropriation is not available, provided that Merchant gives Elavon and Member sixty (60) days notice prior to termination.”
- n) **Section (A)(15)(c)(iii) Return to Elavon** is revised to read as follows:
 “iii. **Return to Elavon.** All promotional materials, advertising displays, emblems, Transaction Receipts, Credit Transaction Receipts, and other forms supplied to Merchant and not purchased by Merchant or consumed in use will remain the property of Elavon and must be returned to Elavon or destroyed within thirty (30) days.”
- o) **Section (A)(16)(d) MATCH™ and Consortium Merchant Negative File** is revised to read as follows:
 “d. **MATCH™ and Consortium Merchant Negative File.** Merchant acknowledges that Member and/or Elavon is required to report Merchant’s business name and the name of Merchant’s principals to the MATCH™ listing maintained by MasterCard and access by Visa or to the Consortium Merchant Negative File maintained by Discover, if applicable, pursuant to the requirements of the Payment Network Regulations. Merchant specifically consents to Elavon’s and Member’s fulfillment of the obligations related to the listing of Merchant in such databases, and Merchant waives all claims and liabilities Merchant may have as a result of such reporting.”
- p) **Section (A)(16)(e) Security Program Compliance** is revised to read as follows:
 “e. **Security Program Compliance.** Merchant must comply with the requirements of the Payment Card Industry (PCI) Data Security Standard (PCI DSS) including the Cardholder Information Security Program (CISP) of Visa, the Site Data Protection Program (SDP) of MasterCard, the Data Security DISC Program and the PCI DSS regulations of Discover Network, and the security programs of any other Payment Network as to which Merchant accepts a Payment Device, as applicable, and any modifications to, or replacements of such programs that may occur from time to time (collectively, “Security Programs”). Upon request, Elavon will provide Merchant with the respective website links to obtain the current requirements of the Visa, MasterCard, and Discover Network Security Programs. All Value Added Servicers from whom Merchant procures services must comply with the requirements of those Security Programs. Merchant, and not Elavon or Member, is responsible for Merchant’s own actions or inactions, those of Merchant’s officers, directors, shareholders, employees and agents, including any Value Added Servicer (collectively, “Merchant’s Agents”). Merchant shall be responsible for any liability, loss, cost, or expense resulting from the violation of any of the Security Program requirements by Merchant or any of Merchant’s Agents.”
- q) **Section (A)(17)(a) Use of Trademarks** is revised to read as follows:
 “a. **Use of Trademarks.** Merchant may use and display the Payment Networks’ marks, and shall display such marks in accordance with the standards for use established by the Payment Networks. Merchant’s right to use all such marks will terminate upon termination of the Agreement or upon notice by a Payment Network to discontinue such use, and Merchant must thereafter promptly return any materials displaying the marks. Merchant’s use of promotional materials provided by the Payment Networks will not indicate, directly or indirectly, that such Payment Networks endorse any goods or services other than their own and Merchant may not refer to any Payment Networks in stating eligibility for Merchant’s products or services.”
- r) **Section (A)(17)(c) Passwords** is revised to read as follows:
 “c. **Passwords.** If Merchant receives a password from Elavon to access any of Elavon’s databases or services, Merchant will: (i) keep the password confidential; (ii) not allow any other entity or person to use the password or gain access to Elavon’s databases or services; (iii) be responsible for all action taken by any user of the password that



obtained access to the password from Merchant; and (iv) promptly notify Elavon if Merchant believes Elavon's databases or services or Merchant's information has been compromised by use of the password. If Merchant receives passwords from a third party for products or services related to Transaction processing, Merchant must protect such passwords in the manner required by such third party and be responsible any losses, costs, or expenses that arise from Merchant's use or misuse of such third party passwords."

- s) **Section (A)(18)(b) Governing Law in the United States** is deleted.
- t) **Section (A)(18)(c) Jurisdiction and Governing Law in Canada** is deleted.
- u) **Section (A)(18)(d) Exclusivity** is deleted.
- v) **Section (A)(18)(f) Assignability** is revised as follows:
"f. **Assignability.** The Agreement may not be assigned by Merchant, directly or by operation of law, without the prior written consent of Elavon. If Merchant, nevertheless, assigns the Agreement without Elavon's consent, the Agreement will be binding on the assignee as well as Merchant. Elavon will not transfer or assign the Agreement without the prior written consent of Merchant, provided that such consent shall not be required for (i) the assignment or delegation to an affiliate of Elavon, or (ii) the assignment or delegation to any Person into or with which Elavon shall merge or consolidate, or who may acquire substantially all of Elavon's stock or assets."
- w) **Section (A)(18)(g) Arbitration** is deleted.
- x) **Section (A)(18)(k) Attorney's Fees** is deleted.
- y) **Section (A)(18)(p) Amendments** is revised as follows:
"p. **Amendments.** Except as otherwise provided in the Agreement, amendments to the Agreement shall be in writing and signed by the parties. Notwithstanding the foregoing, Elavon and Member may amend or modify the Agreement, to the extent such changes are required by or attributable to changes in the Payment Network Regulations or other Laws, upon written notice to Merchant. Elavon or Member will inform Merchant of such a change in a periodic statement or other written notice, and such change will become effective not less than thirty (30) days following the issuance of the notice. Notwithstanding the previous sentence, changes to fees authorized by the Agreement will be effective upon notice to Merchant, unless a later effective date is provided."
- z) **Section (A)(19)(d) Personal Guaranty** is deleted.
- aa) **Section (A)(20)(j) Net Lease; Taxes** shall only apply if Merchant is not a tax-exempt entity as provided in Section (A)(7)(c).
- bb) **Section (A)(20)(k) Indemnity** is replaced as follows:
"k. **Responsibilities.** Lessee will be responsible for all liability, damage or loss arising out of the ownership, selection, possession, leasing, operation, control use, condition, maintenance, delivery and return of the Leased Equipment. This obligation shall continue in full force and effect notwithstanding the termination of the lease."
- cc) **Section (A)(20)(l) Insurance** is deleted.
- dd) **Section (A)(20)(n) Loss or Destruction Waiver** is deleted.
- ee) **Section (A)(20)(p) Remedies** is replaced as follows:
"p. **Remedies.** If an event of default shall occur as described in Section (A)(20)(o) above, Lessor may, at its option, at any time (i) declare immediately due and payable and recover from Lessee, as liquidated damages for the loss of a bargain and not as a penalty, an amount equal to all accrued and unpaid rental payments and late charges, taxes if applicable, and other fees, plus the Loss Amount as set forth in Section (A)(20)(m) above; (ii) automatically charge any or all of Lessee's DDAs for all money amounts owed; (iii) to the extent permitted by applicable Law, without demand or legal process, enter into the premises where the Leased Equipment may be found and take possession of and remove the Lease Equipment, without liability for such retaking; (iv) Lessor may hold, sell or otherwise dispose of any such Leased Equipment at a private or public sale; or (v) any other remedies available under applicable Law. In the event Lessor takes possession of the Leased Equipment, Lessor shall give Lessee credit for any sums received by Lessor from the sale or rental of the Leased Equipment after deduction of the expenses of sale or rental and Lessee shall be responsible to Lessor for any deficiency. Notwithstanding the foregoing, to the extent the Leased Equipment is nontransferable or its transfer restricted (e.g., software), Lessee agrees that Lessor and/or licensor of the Leased Equipment shall have no duty to remarket such Leased Equipment or otherwise mitigate any damages relating to such Leased Equipment."

Lessee shall also be responsible for and shall pay to Lessor all expenses incurred by Lessor in connection with the enforcement of any of Lessor's remedies including all collection expenses, that includes, but is not limited to, charges for collection letters and collection calls, charges of collection agencies, sheriffs, etc; and all expenses of repossession, storing, shipping, repairing, and selling the Leased Equipment. Lessor and Lessee acknowledge the difficulty in establishing a value for the unexpired lease term and, owing to such difficulty, agree that the provisions of this Section represent an agreed measure of damages and are not to be deemed a forfeiture or penalty. All remedies of Lessor hereunder are cumulative, are in addition to any other remedies provided for by Law, and may, to the extent permitted by Law, be exercised concurrently or separately. The exercise of any one remedy shall not be deemed to be an election



of such remedy or to preclude the exercise of any other remedy. No failure on the part of the Lessor to exercise and no delay in exercising any right to remedy shall operate as a waiver thereof or modify the terms of the lease.”

ff) **Section (A)(20)(s) Miscellaneous** is replaced as follows:

“s. **Miscellaneous.** If Lessee fails to pay any rent or other amount required herein to be paid to Lessor within five (5) days of when due, Lessee agrees to pay Lessor, in addition to the payment, a late charge of 15% of the amount past due (but at least \$7.50) for each late payment. Each month the past due payment remains unpaid, an additional late fee in the amount defined will be assessed. Payments are applied to late fees and service charges first and then to the lease obligation. Amounts shall be payable in addition to all amounts payable by Lessee to Lessor as a result of exercise of any of the remedies herein provided. If Lessee requests any services not provided for herein, Lessee agrees to pay an applicable fee for delivery of such services. Lessee shall inform Lessor of any change in Lessee’s name, address, billing address, telephone numbers, location of the Leased Equipment, or DDA. In the event Lessee fails to comply with any provision of the lease, Lessor shall have the right, but not be obligated, to affect such compliance on behalf of Lessee upon ten (10) days prior written notice to Lessee. In such event, all monies expended by and all expenses of Lessor in effecting such compliance, shall be deemed to be additional rental, and shall be paid by Lessee at the time of the next monthly payment of rent. All notices under the lease shall be sufficient if given personally or mailed postage prepaid to the party intended at the respective address set forth herein, or at such other address as said party may provide in writing from time to time. The lease inures to the benefit of and is binding upon the successor and assigns of the parties hereto. Time is of the essence of the lease. Lessor and Lessee intend the lease to be a valid and subsisting legal instrument, and agree that no provision of the lease that may be deemed unenforceable shall in any way invalidate any other provision or provisions of the lease, all of which shall remain in full force and effect.”

gg) **Section (A)(20)(t) Important Information about Credit Reporting** is replaced as follows:

“t. **Important Information about Credit Reporting.** Lessor may report information about this account to credit bureaus. Late payment, missed payments, or other defaults on this account may be reflected in the credit report of Lessee.”

Section D – Government/Public Institution Service Fees

(MasterCard Convenience Fee Program for Education and Government Merchants or Visa Tax Payment Program Only; all other Convenience Fees are governed by the Merchant Operating Guide)

- 2) The following provisions are added to the TOS for Merchants instituting a Government/Public Institution Service fees under this Addendum.
 - a) **Government/Public Institution Service Fees.** If Merchant is both eligible to charge or to have Elavon charge Government/Public Institution Service Fees (as defined on Exhibit B hereto) and has elected on Exhibit A to manage or to have Elavon manage Government/Public Institution Service Fees, then Merchant shall comply with the Government/Public Institution Service Fee Terms and Conditions attached hereto as Exhibit B.




EXHIBIT A
GOVERNMENT/PUBLIC INSTITUTION SERVICE FEE ENROLLMENT

ENROLLMENT FORM FOR GOVERNMENT/PUBLIC INSTITUTION SERVICE FEE PROGRAMS

Date: 9-4-12	Pricing Quote #:	<input checked="" type="checkbox"/> New Location <input type="checkbox"/> Add/Update Service	Rep Name:	Rep Phone #:
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Merchant Information	Existing MID:	Chain #:
	DBA Name: YADKIN COUNTY	DBA Phone #: 336-679-4200
	Contact Name (first & last): LISA HUGHES	DBA Fax #: 336-679-6005
	DBA Address: PO BOX 146, 217 E. WILLOW ST.	City, State, Zip: YADKINVILLE, NC 27055
	Contact Name (First and Last):	Training Phone # (if different):
	Goods or Services Sold:	Federal Tax ID:

Processing Options	Processing Options:	
	Government/Public Institution Service Fee Funding Model (check one if Merchant elects Government/Public Institution Service Fees (GPISF) assessment):	
	<input type="checkbox"/> Elavon-managed ¹ <input type="checkbox"/> Merchant-managed ²	
	Government/Public Institution Service Fee Services Programs (check all that apply, but only if Merchant elects GPISF assessment):	
	<input type="checkbox"/> MasterCard Convenience Fee Program for Education and Government Merchants <input type="checkbox"/> Visa Tax Payment Program	
	Government/Public Institution Service Fee Pricing (applicable only if Merchant elects GPISF assessment):	
	Card Service Fee % _____ Visa Consumer Debit (tax only): \$ _____ ACH (via Electronic Check Services): \$ _____ Minimum Annual Fees (if applicable): \$ _____	
	Payment/Transaction Types for GPISF Assessment (not all payment/transaction types are supported for all programs) (check all that apply, but only if Merchant elects GPISF assessment):	
	<input type="checkbox"/> Credit -- (check all that apply): <input type="checkbox"/> Visa <input type="checkbox"/> MasterCard <input type="checkbox"/> Discover (available if Elavon-acquired) <input type="checkbox"/> Signature Debit -- (check all that apply): <input type="checkbox"/> Visa <input type="checkbox"/> MasterCard <input type="checkbox"/> Discover (available if Elavon-acquired) <input type="checkbox"/> PIN-Based Debit <input type="checkbox"/> ACH (via Electronic Check Services)	
	Elavon Product Supporting GPISF Assessment to be Used by Merchant (check all that apply):	
<input type="checkbox"/> Enterprise Billing Solutions (Additional Addendum required if checked) <input type="checkbox"/> Service Fee Terminal (VeriFone vx570) <input type="checkbox"/> Limited Acceptance (Visa, MasterCard, and Discover credit cards only) <input type="checkbox"/> MasterCard and Discover credit cards and signature debit cards <input type="checkbox"/> Merchant Proprietary Solution or Value-Added Service <input type="checkbox"/> Other _____		

Merchant Acknowledgement	By signing below, Merchant warrants the truthfulness and accuracy of the information provided, agrees to pay the fees set forth herein and agrees to abide by the Terms & Conditions for Assessment of Government/Public Institution Service Fees.		
	 Signature	KEVIN AUSTIN CHAPMAN Name & Title	9-4-12 Date

1. "Elavon-managed" means that Elavon establishes the amount of the Government/Public Institution Service Fee charged and retains the Government/Public Institution Service Fee in lieu of Merchant's obligation to pay Elavon the per transaction fees as set forth in the Agreement.
2. "Merchant-managed" means that Merchant establishes the amount of the Government/Public Institution Service Fee charged and retains the Government/Public Institution Service Fee. Merchant pays Elavon the per transaction fees as set forth in the Agreement for all such Transactions.



EXHIBIT B

TERMS AND CONDITIONS FOR ASSESSMENT OF GOVERNMENT/PUBLIC INSTITUTION SERVICE FEES

ASSESSMENT OF GOVERNMENT/PUBLIC INSTITUTION SERVICE FEES. Terms and Conditions ("T&Cs") for Assessment of Government/Public Institution Service Fees.

1) APPLICABILITY OF AGREEMENT. If Merchant has requested authority to charge or to have Elavon charge a Government/Public Institution Service Fee to its Customers for Eligible Transactions, the following provisions apply to such Eligible Transactions and the related Government/Public Institution Service Fees charged. Any other Transactions or fees, including Convenience Fees, are governed by the standard provisions set forth in the Agreement, as modified by the applicable Schedules or Addenda thereto. Merchant agrees to the following provisions, as and to the extent applicable, in addition to the terms and conditions of the Agreement.

2) RULES OF CONSTRUCTION. These T&Cs are intended to complement and are subject to your Agreement. Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to such terms in the Agreement or the MOG. In the event of a conflict between these T&Cs and other terms of the Agreement or the MOG, the terms of these T&Cs shall prevail.

3) DEFINITIONS.

a) Agreement. The Terms of Service (TOS) or the Payment Device Processing Agreement, as applicable.

b) Government/Public Institution Service Fee. The fee charged by Elavon or Merchant, at Merchant's election, to Customers conducting Eligible Transactions (as described herein, as applicable) at Merchants operating in certain designated merchant category codes ("MCCs"). For the avoidance of doubt, fees referred to as a "service fee" or "convenience fee" (in the context of the MCCs described herein) as used in the applicable rules of the Credit Card Associations, where the fee is processed as a separate Transaction from the underlying purchase or payment Transaction, are included within the definition of, and are referred to herein, as a "Government/Public Institution Service Fee."

4) GOVERNMENT/PUBLIC INSTITUTION SERVICE FEE SERVICES.

a) Government/Public Institution Service Fee Services. At Merchant's election, Merchant may choose to charge a Government/Public Institution Service Fee (a Merchant-managed Government/Public Institution Service Fee) or to have Elavon charge a Government/Public Institution Service Fee (an Elavon-managed Government/Public Institution Service Fee) to its Customers for Eligible Transactions, in each case provided that Merchant is in compliance with the Payment Network Regulations and Laws, including the Electronic Fund Transfer Act and Regulation E. If Merchant elects an Elavon-managed Government/Public Institution Service Fee, Merchant

agrees that any Government/Public Institution Service Fee collected in connection with an Eligible Transaction will be retained by Elavon and Member and that such amount constitutes Elavon's and Member's property, and Merchant has no right, title or interest in such amounts. Further, if Merchant elects an Elavon-managed Government/Public Institution Service Fee, Merchant agrees that Elavon may adjust the Government/Public Institution Service Fee amount from time to time as necessary or appropriate to accommodate changes in Payment Network fees (including Interchange fees), material changes in average ticket size and/or monthly Transaction volume, Interchange classification or downgrades, changes in Chargeback rates, or changes in Payment Devices accepted and/or payment channels offered by Merchant. Additionally, Elavon may immediately terminate the Processing Services for Government/Public Institution Service Fees if Merchant's Chargeback rates materially exceed industry averages. If Merchant elects a Merchant-managed Government/Public Institution Service Fee, Merchant will receive and retain the Government/Public Institution Service Fee collected in connection with Eligible Transactions and will pay regular per transaction fees to Elavon and Member for the Processing Services provided by Elavon and Member with respect to such Transactions. Merchant agrees that the minimum annual Transaction fees (which includes any Elavon-retained Government/Public Institution Service Fees) paid to Elavon and Member for Transactions processed under this Addendum shall be at least equal to the "Minimum Annual Fees" amount identified on Exhibit A hereto. For any partial period of less than a full year during the term of this Addendum, the actual amount of fees paid by Merchant to Elavon for Transactions processed under this Addendum shall be annualized to determine if Merchant has satisfied this obligation. At the end of each year (the first of which shall begin on the Addendum Effective Date and each successive year of which shall begin immediately upon the conclusion of the preceding year), Elavon may notify Merchant if the actual Transaction fees paid by Merchant in respect of this Addendum is less than the Minimum Annual Fees amount. In the event that Merchant's actual Transaction processing fees under this Addendum for any such period are less than the Minimum Annual Fees, Merchant shall promptly pay Elavon and Member the difference.

b) Conflict of Laws. To the extent Merchant's state or other governing body has passed legislation that requires assessment of Government/Public Institution Service Fees by government agencies as a component of card acceptance, such laws may conflict with Payment Network Regulations. Merchant bears all responsibility and liability associated therewith, including all assessments, fees, fines and penalties levied by the Payment Networks.

5) REQUIREMENTS FOR GOVERNMENT/PUBLIC INSTITUTION SERVICE FEES. Elavon may update or



revise the provisions of this Section 5 upon written notice to Merchant.

a) Merchants Accepting Visa Cards for Eligible Transactions. The following requirements apply to Merchants accepting Visa Credit Cards and/or Visa signature Debit Cards that desire to charge or to have Elavon charge a Government/Public Institution Service Fee on certain Transactions. If Merchant also accepts and wishes to charge or to have Elavon charge a Government/Public Institution Service Fee on certain Transactions paid by MasterCard and/or Discover Network cards, the requirements of this Section (5)(a) also apply to Merchant in connection with the assessment of Government/Public Institution Service Fees on Transactions involving those Payment Devices.

i) Eligible Merchants. Merchants operating in MCC 9311 (Taxes) are eligible to charge or to have Elavon charge a Government/Public Institution Service Fee to Customers in connection with Eligible Transactions listed in Section (5)(a)(ii) below.

ii) Eligible Transactions. Eligible Merchants may charge or have Elavon charge a Government/Public Institution Service Fee only in connection with the following "Eligible Transactions":

- 1) Federal personal income taxes;
- 2) State personal income taxes;
- 3) Real estate and other property taxes;
- 4) Federal business income taxes;
- 5) State business income taxes;
- 6) Federal payroll/unemployment taxes;
- 7) State payroll/unemployment taxes; or
- 8) Sales and use taxes.

iii) Transaction Requirements. The following requirements apply to Eligible Transactions under this Section (5)(a).

- 1) Merchant must provide Elavon with the necessary documentation to facilitate Elavon's registration of Merchant in the "Visa Tax Payment Program," the "MasterCard Convenience Fee for Eligible Government and Education Payments" program and/or the convenience fee program of Discover Network, in each case to the extent applicable and required.
- 2) The Government/Public Institution Service Fee must be disclosed to the Cardholder prior to the completion of the Transaction, and the Cardholder must be given the option to cancel the Transaction if the Cardholder does not wish to pay the Government/Public Institution Service Fee.
- 3) The Government/Public Institution Service Fee must apply in the same amount regardless of the Credit Card type or signature Debit Card type (with the exception of Visa Consumer Signature Debit) accepted for payment of a given Eligible Transaction within a particular payment channel. This requirement does not apply to payments made by ACH, cash, check or PIN-based Debit Card.
- 4) The Government/Public Institution Service Fee must not be advertised or otherwise communicated as an offset to the merchant discount rate.
- 5) The Government/Public Institution Service Fee cannot be charged for recurring payments. The

Government/Public Institution Service Fee is designed for one-time payments, not for payments in which a Cardholder authorizes recurring charges or debits.

6) Merchant must accept Visa as a means of payment in all channels (i.e., face-to-face, mail/telephone, and Internet environments, as applicable).

7) Merchant must feature the opportunity to pay with Visa at least as prominently as all other payment methods.

b) Merchants Not Accepting Visa Cards for Eligible Transactions. The following requirements apply to Merchants accepting Credit Cards and/or signature Debit Cards other than Visa (i.e., Merchants accepting MasterCard cards and/or Discover Network cards but not accepting Visa cards) that desire to charge or to have Elavon charge Government/Public Institution Service Fees on Eligible Transactions.

i) Eligible Merchants. Merchants operating in MCCs 8211 (Elementary Schools), 8220 (Colleges/Universities), 9211 (Courts), 9222 (Fines), 9311 (Taxes) and 9399 (Miscellaneous Government Services) are eligible to charge or to have Elavon charge a Government/Public Institution Service Fee to Customers in connection with Eligible Transactions listed in Section (5)(b)(ii) below.

ii) Eligible Transactions. Eligible Merchants may charge or have Elavon charge a Government/Public Institution Service Fee only in connection with the following "Eligible Transactions":

- 1) Payments to elementary and secondary schools for tuition and related fees, and school-maintained room and board;
- 2) Payments to colleges, universities, professional schools and junior colleges for tuition and related fees, and school-maintained room and board;
- 3) Payments to federal courts of law that administer and process court fees, alimony and child support payments;
- 4) Payments to government entities that administer and process local, state and federal fines;
- 5) Payments to local, state and federal entities that engage in financial administration and taxation; or
- 6) Payments to Merchants that provide general support services for the government.

iii) Transaction Requirements. The following requirements apply to Eligible Transactions under this Section (5)(b).

- 1) Merchant must provide Elavon with the necessary documentation to facilitate Elavon's registration of Merchant in the "MasterCard Convenience Fee for Eligible Government and Education Payments" program and/or the convenience fee program of Discover Network, in each case to the extent applicable and required.
- 2) The Government/Public Institution Service Fee must be disclosed to the Cardholder prior to the completion of the Transaction, and the Cardholder must be given the option to cancel the Transaction if the Cardholder does not wish to pay the Government/Public Institution Service Fee.
- 3) The Government/Public Institution Service Fee must apply in the same amount regardless of the Credit Card or signature Debit Card type accepted for payment of a given Eligible Transaction within a particular payment channel.



This requirement does not apply to payments made by ACH, cash, check or PIN-based Debit Card.

4) The Government/Public Institution Service Fee must not be advertised or otherwise communicated as an offset to the merchant discount rate.

c) **Additional Requirements for Merchants Utilizing Proprietary Solutions or Value Added Servicers.**

i) **POS Devices.** Merchant is responsible for ensuring that its software, POS Devices and card acceptance procedures fully comply with Elavon's instructions, including with respect to programming of software and POS Devices to handle Eligible Transactions to ensure proper assessment of Government/Public Institution Service Fees. If the Government/Public Institution Service Fee is Elavon-managed, Merchant is further responsible for complying with all requirements as provided by Elavon from time to time to appropriately process the Eligible Transactions to qualify for optimal Interchange rates within five (5) days of Elavon's communication to Merchant of the same. If Merchant fails to make changes to its POS Devices or card acceptance procedures requested by Elavon within five (5) days of the request, Elavon may, in its discretion, discontinue the program or suspend a certain payment type. Further, if Merchant fails to make such changes and the Government/Public Institution Service Fee is Elavon-managed, Elavon may adjust the Government/Public Institution Service Fee amount, bill the Merchant for charges in excess of the Government/Public Institution Service Fee to recover losses related to Transactions that did not qualify for optimal Interchange rates or for applicable Credit Card Associations' reimbursement programs, including, but not limited to, losses related to Merchant's failure to distinguish between pricing of Visa signature Debit Cards and all other card types for transactions processed within the Visa Tax Payment Program.

ii) **Approval Required to Charge or Adjust Government/Public Institution Service Fee.** Merchant may not charge or adjust Government/Public Institution Service Fees unless Merchant has disclosed such fees to Elavon previously in writing and Merchant has been approved by Elavon to charge or adjust such Government/Public Institution Service Fees. If Merchant charges or adjusts a Government/Public Institution Service Fee without having disclosed such fee or adjustment previously in writing and obtained Elavon's consent, Merchant will be in breach of the Agreement and Elavon may immediately terminate the Agreement in addition to pursuing any other remedies available under the Agreement, Laws and Payment Network Regulations.

iii) **Value Added Servicer.** Merchants accepting Visa cards for Eligible Transactions who utilize proprietary solutions or Value Added Servicers to manage a Government/Public Institution Service Fee must comply with Attachment 1, attached hereto.

6) **ADDITIONAL PROCESSING REQUIREMENTS.**

If Merchant voids an underlying Eligible Transaction, the associated Government/Public Institution Service Fee must be voided as well. If Merchant processes a refund for an underlying Eligible Transaction, Merchant must disclose to Customers that Government/Public Institution Service Fees are non-refundable. Merchants that desire to charge or to have Elavon charge Government/Public Institution Service Fees will be assigned separate MIDs for use in connection with Eligible Transactions and related Government/Public Institution Service Fees. MIDs assigned for use with Eligible Transactions and/or Government/Public Institution Service Fees may not be used to process Transactions that are not Eligible Transactions.

7) **PAYMENT AND TRANSACTION TYPES SUPPORTED.**

Government/Public Institution Service Fee capability for Credit Cards and/or signature Debit Cards depends on the Merchant's MCC, as described above, and the Payment Network Regulations of the applicable Credit Card Association. Government/Public Institution Service Fee capability is supported only through Elavon products specified on Exhibit A hereto. Not all payment and transaction types are supported for all products. Additionally, Merchant proprietary software, POS Devices, or Value Added Servicers may be certified to process Elavon-managed Government/Public Institution Service Fee Transactions. Closed network prepaid cards, electronic benefits transfer, and dynamic currency conversion are not supported for Government/Public Institution Service Fee processing.



ATTACHMENT 1 to T&Cs

GOVERNMENT/PUBLIC INSTITUTION SERVICE FEE PROCESSING REQUIREMENTS FOR MERCHANTS USING PROPRIETARY SOLUTIONS OR A VALUE ADDED SERVICER**I. Underlying Eligible Transactions**

The following data must be inserted in the listed fields when creating the authorization and clearing requests for the underlying Eligible Transaction (the tax liability payment).

FIELD NAME	VALUE
Merchant Category Code	9311 – Tax Payments
Merchant Name	The following lists the format and information for each type of tax collected for this field: <ul style="list-style-type: none">▪ Federal tax payments, you must use “US Treasury Tax Payment”▪ State Income Tax: NN – State Income Tax, where NN represents the state, for example, CA – State Income Tax▪ For all other taxes: Taxing Authority – Tax Type, for example:<ul style="list-style-type: none">✓ Sales Tax: NN Franchise Tax Board – Sales Tax✓ Business Income Tax: NN Franchise Tax Board – Business Income✓ Property Tax: NN Funds E-Pay – Real Estate
Merchant City	Merchant customer service phone number.
Merchant State	Merchant state two letter acronym (NN), for example, CA; (not the state of the provider).
ECI Indicator	<ul style="list-style-type: none">▪ Use 1 or 4 for phone-initiated (MOTO) payments.▪ Use 5, 6, 7, 8 or 9 for Internet-initiated payments.
Merchant Verification Value	This value is used for large federal tax payment requests only. If appropriate, Visa will assign and notify you of your unique MVV value.
Local Tax	In the Sales Draft Record (TC05), Transaction Record 6 (TCR6), positions 5-16 (“Local Tax”), insert the value of “0” = “0%” tax rate.
Local Tax Included	In the TC05, TCR6, position 17 (“Local Tax Included”), insert a value of “2” = Transaction is not subject to tax.

II. Government/Public Institution Service Fee Transactions

The following data must be inserted in the listed fields when creating the authorization and clearing requests for the Government/Public Institution Service Fee.

FIELD NAME	VALUE
Merchant Category Code	9311 – Tax Payments
Merchant Name	The following lists the format and information for each type of tax collected: <ul style="list-style-type: none">▪ Federal tax payments, you must use “US Treasury Tax Payment Service Fee”▪ State Income Tax: NN – State Income Tax Service Fee, for example, CA – State Income Tax Service Fee▪ For all other taxes: Taxing Authority – Tax Type Service Fee, for example:<ul style="list-style-type: none">✓ Sales Tax: NN Franchise Tax Board – Sales Tax Service Fee✓ Business Income Tax: NN Franchise Tax Board – Business Income Service Fee✓ Property Tax: NN Funds E-Pay – Real Estate Service Fee
Merchant City	Merchant service phone number.
Merchant State	Merchant state two letter acronym (NN), for example, CA; (not the state of the provider).
ECI Indicator	<ul style="list-style-type: none">▪ Use 1 or 4 for phone-initiated (MOTO) payments.▪ Use 5, 6, 7, 8 or 9 for Internet-initiated payments.
Local Tax	In the Sales Draft Record (TC05), Transaction Record 6 (TCR6), positions 5-16 (“Local Tax”), insert the value of “0” = “0%” tax rate.
Local Tax Included	In the TC05, TCR6, position 17 (“Local Tax Included”), insert a value of “2” = Transaction is not subject to tax.